

### Subpart 9903.3—CAS Rules and Regulations

#### 9903.301 Definitions.

(a) The definitions set forth below apply to this chapter 99.

*Accrued benefit cost method.* See 9904.412–30.

*Accumulating costs.* See 9904.401–30.

*Actual cash value.* See 9904.416–30.

*Actual cost.* See 9904.401–30 for the broader definition and 9904.407–30 for a more restricted definition applicable only to the standard on the use of standard costs for direct material and direct labor.

*Actuarial assumption.* See 9904.412–30 or 9904.413–30.

*Actuarial cost method.* See 9904.412–30 or 9904.413–30.

*Actuarial gain and loss.* See 9904.412–30 or 9904.413–30.

*Actuarial liability.* See 9904.412–30 or 9904.413–30.

*Actuarial valuation.* See 9904.412–30 or 9904.413–30.

*Allocate.* See 9904.402–30, 9904.403–30, 9904.406–30, 9904.410–30, 9904.411–30, 9904.418–30 or 9904.420–30.

*Asset accountability unit.* See 9904.404–30.

*Assignment of cost to cost accounting periods.* See 9903.302–1(b).

*Bid and proposal (B&P) cost.* See 9904.420–30.

*Business unit.* See 9904.410–30, 9904.411–30 or 9904.414–30.

*CAS-covered contract*, as used in this part, means any negotiated contract or subcontract in which a CAS clause is required to be included.

*Category of material.* See 9904.411–30.

*Change to a cost accounting practice.* See 9903.302–2.

*Compensated personal absence.* See 9904.408–30.

*Cost accounting practice.* See 9903.302–1.

*Cost input.* See 9904.410–30.

*Cost objective.* See 9904.402–30, 9904.406–30, 9904.410–30 or 9904.411–30.

*Cost of capital committed to facilities.* See 9904.414–30.

*Currently performing*, as used in this part, means that a contractor has been awarded a contract, but has not yet received notification of final acceptance of all supplies, services, and data deliv-

erable under the contract (including options).

*Deferred compensation.* See 9904.415–30.

*Defined-benefit pension plan.* See 9904.412–30.

*Defined-contribution pension plan.* See 9904.412–30.

*Direct cost.* See 9904.402–30 or 9904.418–30.

*Directly associated cost.* See 9904.405–30.

*Disclosure statement*, as used in this part, means the Disclosure Statement required by 9903.202–1.

*Entitlement.* See 9904.408–30.

*Estimating costs.* See 9904.401–30.

*Expressly unallowable cost.* See 9904.405–30.

*Facilities capital.* See 9904.414–30.

*Final cost objective.* See 9904.402–30 or 9904.410–30.

*Fiscal year.* See 9904.406–30.

*Funded pension cost.* See 9904.412–30.

*Funding agency.* See 9904.412–30.

*General and administrative (G&A) expense.* See 9904.410–30 or 9904.420–30.

*Home office.* See 9904.403–30 or 9904.420–30.

*Immediate-gain actuarial cost method.* See 9904.413–30.

*Independent research and development (IR&D) cost.* See 9904.420–30.

*Indirect cost.* See 9904.402–30, 9904.405–30, 9904.418–30 or 9904.420–30.

*Indirect cost pool.* See 9904.401–30, 9904.402–30, 9904.406–30 or 9904.418–30.

*Insurance administration expenses.* See 9904.416–30.

*Intangible capital asset.* See 9904.414–30 or 9904.417–30.

*Labor cost at standard.* See 9904.407–30.

*Labor-rate standard.* See 9904.407–30.

*Labor-time standard.* See 9904.407–30.

*Material cost at standard.* See 9904.407–30.

*Material inventory record.* See 9904.411–30.

*Material-price standard.* See 9904.407–30.

*Material-quantity standard.* See 9904.407–30.

*Measurement of cost.* See 9904.302–1(c).

*Moving average cost.* See 9904.411–30.

*Multiemployer pension plan.* See 9904.412–30.

*Negotiated subcontract*, as used in this part, means any subcontract except a firm fixed-price subcontract made by a contractor or subcontractor after receiving offers from at least two persons

not associated with each other or with such contractor or subcontractor, providing

(1) The solicitation to all competitors is identical,

(2) Price is the only consideration in selecting the subcontractor from among the competitors solicited, and

(3) The lowest offer received in compliance with the solicitation from among those solicited is accepted.

*Net awards*, as used in this chapter, means the total value of negotiated CAS-covered prime contract and subcontract awards, including the potential value of contract options, received during the reporting period minus cancellations, terminations, and other related credit transactions.

*Normal cost*. See 9904.412-30 or 9904.413-30.

*Operating revenue*. See 9904.403-30.

*Original complement of low cost equipment*. See 9904.404-30.

*Pay-as-you-go cost method*. See 9904.412-30.

*Pension plan*. See 9904.412-30 or 9904.413-30.

*Pension plan participant*. See 9904.413-30.

*Pricing*. See 9904.401-30.

*Production unit*. See 9904.407-30.

*Projected average loss*. See 9904.416-30.

*Projected benefit cost method*. See 9904.412-30 or 9904.413-30.

*Proposal*. See 9904.401-30.

*Repairs and maintenance*. See 9904.404-30.

*Reporting costs*. See 9904.401-30.

*Residual value*. See 9904.409-30.

*Segment*. See 9904.403-30, 9904.410-30, 9904.413-30 or 9904.420-30.

*Self-insurance*. See 9904.416-30.

*Self-insurance charge*. See 9904.416-30.

*Service life*. See 9904.409-30.

*Small business*, as used in this part, means any concern, firm, person, corporation, partnership, cooperative, or other business enterprise which, under 15 U.S.C. 637(b)(6) and the rules and regulations of the Small Business Administration in Part 121 of Title 13 of the Code of Federal Regulations, is determined to be a small business concern for the purpose of Government contracting.

*Spread-gain actuarial cost method*. See 9904.413-30.

*Standard cost*. See 9904.407-30.

*Tangible capital asset*. See 9904.403-30, 9904.404-30, 9904.409-30, 9904.414-30 or 9904.417-30.

*Termination gain or loss*. See 9904.413-30.

*Unallowable cost*. See 9904.405-30.

*Variance*. See 9904.407-30.

*Weighted average cost*. See 9904.411-30.

(b) The definitions set forth below are applicable exclusively to educational institutions and apply to this chapter 99.

*Business unit*. See 9903.201-2(c)(2)(ii).

*Educational institution*. See 9903.201-2(c)(2)(i).

*Intermediate cost objective*. See 9905.502-30(a)(7).

*Segment*. See 9903.201-2(c)(2)(ii).

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### **9903.302 Definitions, explanations, and illustrations of the terms, "cost accounting practice" and "change to a cost accounting practice."**

#### **9903.302-1 Cost accounting practice.**

*Cost accounting practice*, as used in this part, means any disclosed or established accounting method or technique which is used for allocation of cost to cost objectives, assignment of cost to cost accounting periods, or measurement of cost.

(a) *Measurement of cost*, as used in this part, encompasses accounting methods and techniques used in defining the components of cost, determining the basis for cost measurement, and establishing criteria for use of alternative cost measurement techniques. The determination of the amount paid or a change in the amount paid for a unit of goods and services is not a cost accounting practice. Examples of cost accounting practices which involve measurement of costs are—

(1) The use of either historical cost, market value, or present value;

(2) The use of standard cost or actual cost; or

(3) The designation of those items of cost which must be included or excluded from tangible capital assets or pension cost.

(b) *Assignment of cost to cost accounting periods*, as used in this part, refers